



Department of Justice

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**FORMER DISTRICT OF COLUMBIA TRANSPORTATION OFFICIAL AND
A NEW YORK TRAFFIC ENGINEERING COMPANY CHARGED WITH
SUBVERTING THE COMPETITIVE PROCESS**

WASHINGTON, D.C. -- A former official from the District of Columbia's Department of Transportation (DC DOT) and a New York-based traffic engineering firm were charged separately today in connection with subverting the competitive process for federally-funded contracts let by the District of Columbia Department of Transportation (DC DOT), the Department of Justice announced.

Wilhelm DerMinassian, the former Associate Director in charge of the DC DOT's Traffic Services Administration, and Dunn Engineering Associates P.C. were charged separately in U.S. District Court in Washington, D.C., in connection with the seeking, paying, and receiving of a gratuity in exchange for future favorable treatment of the company by DerMinassian in his administration and oversight of the five-year \$17.5 million federally-funded Integrated Traffic Management System (ITMS) contract.

Additionally, DerMinassian was charged with one count of wire fraud in connection with a scheme to defraud the DC DOT and the District of Columbia and its citizens of their right to DerMinassian's honest services as a public official. During the conspiracy, which took place from October 2001 through October 2002, DerMinassian solicited and received approximately \$20,000 in cash and other items of value from an employee and an officer of another company in connection with his administration and oversight of the \$12.9 million federally-funded

Operational Support contract. Influenced by the receipt of cash and other items of value, DerMinassian recommended and approved three change orders, worth over \$5.5 million, to the contract.

“Citizens have a right to expect that taxpayer-funded contracts will be awarded based on honest competition and not payoffs,” said Scott D. Hammond, the Antitrust Division’s Deputy Assistant Attorney General for Criminal Enforcement.

The DC DOT is a cabinet-level agency within the District of Columbia government charged with ensuring the safe and efficient movement of people and goods in and around the District. The Traffic Services Administration is the branch of the DC DOT responsible for planning, operating and maintaining the District’s traffic services infrastructure.

Seeking and accepting gratuities while serving as a public official, a violation of 18 U.S.C. § 201(c)(1)(B), carries a maximum penalty of two years incarceration, a criminal fine of \$250,000, or both. In addition, a person convicted under this statute may be ordered to make full restitution to his or her victim for any losses incurred.

Giving a gratuity to a public official, a violation of 18 U.S.C. § 201(c)(1)(A), carries a maximum criminal fine of \$500,000 for a corporation. In addition, a corporation convicted under this statute may be ordered to make full restitution to its victim for any losses incurred.

Wire fraud, a violation of 18 U.S.C. § 1343, carries a maximum penalty of five years incarceration, a criminal fine of \$250,000, or both. In addition, a person convicted under this statute may be ordered to make full restitution to his or her victim for any losses incurred.

These cases are the first to arise out of an ongoing investigation being conducted by the Antitrust Division’s National Criminal Enforcement Section with the assistance of the

Washington Field Offices of the United States Department of Transportation, Office of the Inspector General, and the Federal Bureau of Investigation.

Anyone with information concerning anticompetitive activities involving the District of Columbia's Department of Transportation should contact the Antitrust Division's National Criminal Enforcement Section at (202) 307-6694.

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